Quality is Our Bottom Line

INSURANCE COMMITTEE PUBLIC HEARING

TUESDAY, FEBRUARY 17, 2015

CONNECTICUT ASSOCIATION OF HEALTH PLANS

Testimony in Opposition to

HB 6553 AN ACT REQUIRING HEALTH INSURANCE COVERAGE FOR BREAST THERMOGRAPHY

HB 5832 AN ACT CONCERNING HEALTH INSURANCE COVERAGE FOR TOMOSYNTHESIS FOR BREAST CANCER SCREENINGS

HB 5434 AN ACT REQUIRING HEALTH INSURANCE COVERAGE FOR A COURT-ORDERED CUSTODY EVALUATION FOR A MINOR

HB 5836 AN ACT REQUIRING HEALTH INSURANCE COVERAGE FOR MEDICAL EVALUATIONS OR APPOINTMENTS ORDERED BY A COURT FOR AN INSURED AND ANY SUBSEQUENT TREATMENT REQUIRED

SB 234 AN ACT REQUIRING HEALTH INSURANCE COVERAGE FOR THE PURCHASE OF ASSISTANCE DOGS

SB 16 AN ACT CONCERNING BENEFITS PAYABLE FOR ASSESSMENTS TO DETERMINE A DIAGNOSIS OF A MENTAL OR NERVOUS CONDITION AND RELATED CONSULTATIONS

HB 5500 AN ACT REQUIRING HEALTH INSURANCE COVERAGE FOR FERTILITY PRESERVATION FOR INSUREDS DIAGNOSED WITH CANCER

SB 175 AN ACT REQUIRING HEALTH INSURANCE COVERAGE FOR PATIENT LIFTS

SB 873 AN ACT EXPANDING HEALTH INSURANCE COVERAGE FOR HEARING AIDS

SB 872 AN ACT REQUIRING HEALTH INSURANCE COVERAGE FOR SUPPLIES FOR THE TREATMENT OF LYMPHEDEMA

The Connecticut Association of Health Plans respectfully urges the Committee's opposition to all of the above bills which constitute new benefit mandates on health insurance. While we appreciate the intent of each proposal, each bill would add appreciably to the overall cost of health insurance coverage.

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Some items in particular are cause for specific concern. Please consider that SB 16 is so broad and far reaching that it has the potential to be enormously expensive. HB 5832 and HB 6553 aren't yet considered evidenced based. In fact, the Connecticut Department of Social Services recently proposed pulling back its coverage for digital breast tomomsynthesis (DBT) based on questionable clinical outcomes. Imaging, while critical in the diagnosis and treatment of disease, is not without its own risks and we need to assure that any treatments mandated in statute are subject to evidenced based criteria.

It's also important to note that many of the above noted bills will qualify as a new mandates under the Affordable Care Act (ACA) and thereby require that the State of Connecticut pick-up the associated costs. Please consider a 2013 OLR summary on another proposed mandate:

The Affordable Care Act (P.L. 111-148) allows a state to require health plans sold through its exchange to offer benefits beyond those already included in its "essential health benefits," but the act requires the state to defray the cost of these additional benefits. The requirement applies to mandates enacted after December 31, 2011. As a result, the state would be required to pay the insurance carrier or enrollee to defray the cost of any new benefits mandated after this date.

It's also worth noting that none of the mandates under consideration by the Committee would apply to those individuals, including state employees, that are covered by self- insured plans. The burden of the cost would fall only on the fully-insured market which is generally made up of small employers. More and more companies as well as governmental entities (that can afford to take the risk) are moving to self-funded plans which allow such entities to set their benefit structures more within the scope of their individual group's needs and budget. The ratio of self-insured to fully-insured groups in CT is now nearing 60% to 40% . As the ACA recognized, the system cannot continue to absorb the additional costs of new mandates.

The Association would also ask that the legislature note, that the timetable for the benefit and rate build-up for 2016 is already well underway in accordance with ACA requirements. Passage of the proposals herein would undermine the current process whereby health plans are required to file rates for approval with the Insurance Department by April 30th. If any new mandates or other cost sharing provisions are adopted after the standard benefit design has been finalized and rates have been filed accordingly, the Exchange and the carriers will have to ***reopen*** the entire process allowing for adjustments to the AV calculator, re-submittal of all templates and the re-filing of all rates.

The sheer volume of mandates and other new insurance provisions under consideration by the Committee add appreciable volatility to our health care delivery system that is not conducive to an efficient, stable and predictable insurance market – all of which is to the benefit of Connecticut's consumers.

We urge your rejection of the bills in question. Thank you for your consideration.